## Message Text

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**ACTION EUR-12** 

INFO OCT-01 IO-13 ISO-00 CIAE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

OPIC-03 SAM-01 SAJ-01 EB-07 AF-08 AGR-05 AGRE-00

AID-05 TRSE-00 OMB-01 /103 W

----- 107779

R 241706Z SEP 76

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 8641

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY MOSCOW

AMCONSUL OPORTO

AMEMBASSY PARIS

AMCONSUL PONTA DELGADA

USMISSION NATO

DIA WASHDC

USCINCEUR VAIHINGEN GER

CONFIDENTIAL LISBON 6585

E.O. 11652: GDS TAGS: PINT, PO

SUBJ: CDS RESONDS TO PRESSURE FROM THE RIGHT

REF: (A) LISBON 5141 (DTG 301613Z JUL 76), (B) LISBON 6427 (DTG 201535Z SEP 76)

SUMMARY: IN RESPONSE TO RANK AND FILE PRESSURES, AND IN ORDER TO POSITION ITSELF FOR LOCAL ELECTIONS, THE CDS IS ADOPTING A HARSHER PUBLIC POSTURE TOWARD THE SOARES GOVERNMENT. THE TOUGHER CDS POSITION WILL MAKE THINGS MORE DIFFICULT FOR THE SOARES GOVERNMENT WHICH UNTIL NOW HAS BEEN LARGELY FREE FROM CRITICISM FROM THE RIGHT. THE VIGOROUS AND INTELLIGENT CDS LEADERSHIP SHOULD BE ABLE TO RESIST THE THREAT OF CONFIDENTIAL

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A FAR RIGHT TAKEOVER OF THE PARTY. END SUMMARY.

- 1. PRESSURE FROM THE FAR RIGHT: FOLLOWING THE PROCLAMATION BY GEN KAULZA DE ARRAIGA IN EARLY JULY OF AN INDEPENDENT MOVE-MENT (MIRN) OPEN TO THE CDS AND PPD. CDS LEADERS WENT TO GREAT LENGTHS TO REPUDIATE KAULZA. AT ITS JULY 23-25 CONGRESS, THE CDS PUBLICLY REJECTED KAULZA AND THE FAR RIGHT DESPITE SOME GRUMBLING FROM THE RANK AND FILE. CDS LEADERS HAVE MADE CLEAR TO EMBOFFS THEIR CONCERN OVER THE ATTRACTION WHICH THE FAR RIGHT OFFERED FOR CDS MEMBERS (REF A). CDS INTERNATIONAL DIVISION LEADER CUNHA REIS TOLD POLCOUNS SEPT 22 THAT THE CDS HAD CONSISTENTLY REJECTED EFFORTS TO ENLIST THE CDS IN RIGHT WING COUP ATTEMPTS. THIS HAD MEANT TURNING DOWN SEVERAL ATTRACTIVE OFFERS OF FINANCIAL SUPPORT. THE PARTY TACTIC, ACCORDING TXK THE CDS LEADERSHIP. HAS BEEN TO GO EASY ON THE SOCIALISTS IN ORDER TO MARK A CLEAR SEPARATION BETWEEN THE PARTY AND THE NON-DEMOCRATIC RIGHT. FREITAS DO AMARAL'S WELL-PUBLICIZED STATEMENT THAT THE MAIN THREAT TO PORTUGAL NOW IS THE EXTREME RIGHT WAS PART OF THIS TACTIC.
- 2. POSITION TOWARD SOARES GOVERNMENT: DURING THE AUGUST ASSEMBLY DEBATE OF THE SOARES GOVERNMENT PROGRAM, THE CDS POSITIONED ITSELF AS THE POLITE OPPOSITION. FREITAS DO AMARAL TOLD THE ASSEMBLY THAT THE CDS DID NOT SUPPORT THE GOVERNMENT PROGRAM, BUT WOULD NOT PROVOKE THE GOVERNMENT'S FALL. THE CDS WAS UNCRITICAL OF THE GOVERNMENT THROUGH ITS FIRST MONTH. IN ITS COMMENTS FOLLOWING MARIO SOARES'S SEPT 9 SPEECH, THE CDS COMBINED MILD CRITICISM WITH SELECTIVE PRAISE.
- 3. PRESSURE FROM THE RANK AND FILE: THE PARTY'S LEADER-SHIP OF FREITAS DO AMARAL, AMARO DA COSTA, AND BASILIO HORTA WAS ABLE TO IMPOSE A MODERATE LINE AT THE PARTY CONGRESS BECAUSE OF THEIR UNCHALLENGED PRESTIGE WITHIN THE PARTY AND THE ABSENCE OF ANY SIMILARLY RESPECTED CONSERVATIVE RIVAL. HOWEVER, THE CDS HAS COME UNDER INCRDSING PRESSURE FROM ITS MEMBERSHIP TO TAKE A TOUGHER STAND TOWARD THE SOARES GOVERNMENT. CDS BUSINESSMEN, MERCHANTS, AND PROFESSIONALS COMPLAINED THE GOVERNMENT WAS NOT MOVING FAST OR FAR ENOUGH TO ADDRESS THEIR ECONCONFIDENTIAL

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OMIC CONCERNS. REGIONAL RIVALRY ALSO PLAYED A ROLE.
NORTHERN CDS LEADERS HAVE COMPLAINED THAT LISBON HEADQUARTERS DOES NOT GIVE ENOUGH WEIGHT TO NORTHERN VIEWS.
THE EVER INCREASING NUMBER OF AFRICAN RETURNEES--MANY OF THEM
CDS SUPPORTERS--HAS BEEN ANOTHER FACTOR PUSHING THE CDS
TO THE RIGHT. RETURNEES AND OTHERS ON THE RIGHT HAVE
ARGUED UNSUCCESSFULLY FOR OUTRIGHT CDS REPUDIATION OF
THE DECISION TO DECOLONIZE. PRESSURES REACHED THEIR HEIGHT

DURING THE SEP 18-19 MEETING OF THE CDS POLITICAL COMMITTEE IN OPORTO WHERE REGIONAL LEADERS QUESTIONED THE CDS'S "SOFT" POSITION TOWARD THE SOARES GOVERNMENT.

- 4. PARTY REACTION: VICE PRESIDENT AMARO DA COSTA STATED AT THE CONCLUSION OF THE OPORTO MEETING THAT THE CDS WOULD STEP UP ITS CRITICISM OF "SOCIALIST GOVERNMENT INACTION AND INABILITY TO FACE MAJOR GOVERNMENT PROBLEMS." COSTA FOLLOWED ON SEPT 21 WITH A HARSHLY WORDED ACCUSATION THAT THE SOCIALISTS SWITCHED FROM OPTIMISM TO GLOOM ON ECONOMIC PROSPECTS DEPENDING ON ELECTORAL CONVENIENCE. IN THE WAKE OF THE PPD REJECTION OF A LOCAL ELECTION ALLIANCE WITH THE CDS, THE CENTER DEMOCRATS OPENLY CRITICIZED THE PPD FOR BEING TOO FRIENDLY TOWARD THE SOARES GOVERNMENT.
- 5. COMMENT: A HARSHER PUBLIC POSTURE TOWARD THE GOVERN-MENT SUITS THE CDS'S LOCAL ELECTION STRATEGY AS WELL AS MEETING MEMBERSHIP PRESSURES. THE MORE CRITICAL CDS ATTITUDE WILL MAKE THINGS A LITTLE TOUGHER FOR THE SOCIALIST GOVERNMENT WHICH HAS BEEN LARGELY SPARED FROM CRITICISM FROM THE RIGHT EXCEPT ON AGRARIAN REFORM.
- 6. THE THREAT OF A FAR RIGHT TAKEOVER OF THE CDS REMAINS. THE CDS IS AN INCREASINGLY ATTRACTIVE TARGET AS THE ONLY VIABLE PARTY ON THE RIGHT. HOWEVER, THE LEADERSHIP IS YOUNG, VIGOROUS, SMART, AND LIKELY TO BE ABLE TO RESIST ANY GRAB BY THE EXTREMISTS. CARLUCCI

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